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FAO'S SAOUMA PROPOSES 'NEW APPROACHES' TO CRISIS

FL112203 Bridgetown CANA in English 2100 GMT 11 Aug 86

[Text] Bridgetown, Barbados, Aug 11, CANA -- Director General of the United Nations' Food and Agriculture Organization (FAO) Edouard Saouma declared today that the general economic crisis has dealt a heavy blow to agriculture in the Caribbean and Latin America and proposed "new approaches" including strengthened regional arrangements and a possible common market.

In his keynote statement to the 29th regional conference for Latin America and the Caribbean, Saouma said: "This conference opens in a particularly difficult economic and financial state.

"After 40 years of progress in the region, per capita gross income started to decline in 1981. Since then there has been a general downturn in economic activity. The general economic crisis has dealt a heavy blow to agriculture."

He listed foreign debt as one major problem overshadowing everything else. The region's debt, he said, stood at 400 billion dollars (U.S.), with servicing absorbing nearly 50 percent of export revenues and countries in the region having to agree to tough conditions often dictated by their creditors.

"I am appalled at the thought that every child in the region is in debt from the moment he is born, and will remain in debt until the day he dies", Saouma declared.

FOREIGN MINISTER DISCUSSES CENTRAL AMERICAN CRISIS

PY112204 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1931 GMT 9 Aug 86

[Text] Buenos Aires, 9 Aug (NA) -- Foreign Minister Dante Caputo today said that "if the law of the jungle were to prevail in Latin America, all of our countries would be profoundly harmed," and pointed out that "no matter how complex the diplomatic solution to the Central American crisis is, it is infinitely less costly than a solution through war."

Caputo stated that "it will cost us a great deal, and will be difficult, but, fortunately, the Contadora Group and its supporting countries have a defined political will to contribute to the pacification of the region."

The foreign minister made these statements on board the airplane which carried President Alfonsin and the Argentine delegation back to Argentina. The president and the delegation attended the meeting of the Group of Six in Mexico, and the inauguration of the new president in Colombia.

Caputo, who attended the swearing in of new Colombian President Virgilio Barco Vargas, met with the representatives of the Contadora Group and of the Contadora Support Group in Bogota and said that there was total unanimity about "the idea that force should not be used as a mechanism for solving conflicts."

"We are experiencing a very difficult moment, and confidence in a diplomatic solution might decline," he said, adding that "the meetings in Colombia showed, however, that eight Latin American countries are willing to continue with the efforts of the Contadora Group."

He said: "None of us has any illusion about the difficulty this represents, particularly when certain countries, unfortunately, choose the wrong way of approaching the Central American conflict."

He confirmed the Argentine official position of opposing the U.S. Government policy "to solve this question through the counterrevolutionary forces in Nicaragua."

Caputo deemed as "positive the meetings held in Colombia with the eight countries" which make up both the Contadora Group and the Support Group, and said that during these meetings "it was decided to continue with the peace-seeking efforts in Central America."

He said that the matter is not "legal" but "political," and that the eight Latin American countries also agreed in principle to hold another meeting next September. He concluded by saying that "a war will harm us all," and "we are, therefore, seeking a solution to settle this conflict."

FOREIGN MINISTRY BEGINS CONTACTS ON FALKLANDS

PY120110 Buenos Aires TELAM in Spanish 2259 GMT 11 Aug 86

[Text] Buenos Aires, 11 Aug (TELAM) -- The Argentine Foreign Ministry today began to analyze its strategy aimed at the recovery of the Malvinas Islands, in the light of the upcoming UN General Assembly, which will take place in New York during the second half of September.

To this end, Argentine Under Secretary for Special Affairs Juan Carlos Beltramino began a round of talks with the ambassadors of India and Yugoslavia, two of the leading countries of the Nonaligned Movement. This round of talks will continue for several days.

The objective of Argentina's strategy is to get from the international community support for Argentina's position that favors negotiations on [words indistinct] with the United Kingdom.

POLICE CONFISCATE $10 MILLION WORTH OF COCAINE

PY071348 Buenos Aires DYN in Spanish 2221 GMT 2 Aug 86

[Text] Buenos Aires, 2 Aug (DYN) -- According to what has been reported by police narcotics department sources, 20 kg of cocaine hydrochloride ready for sale and worth $20 million was confiscated in the predawn hours today during an operation carried out at five hotels on Avenida de Mayo.

The cocaine was ready to be exported from the country to Europe and the United States by six Bolivian and Argentine drug traffickers whose names have not yet been disclosed. It was found in suitcases with false bottoms and wrapped in plastic bags inside small "envelopes."

Police sources have reported that the head of this important drug-trafficking ring is at large, but that they hope to be able to arrest him at any time and thus follow the trail that connects this group to an international drug trafficking ring.

The same sources noted that the gigantic operation recently staged in Bolivia against drugs detoured from the usual drug route -- the north route via Colombia to Miami and Europe -- to the south starting from Buenos Aires, where it branches out to world distribution centers.

Local government officials have recently noted that there has not been an increase in drug consumption in Argentina, but that the transit of drugs and alkaloids has increased.

BRIEFS

AUSTRAL DEVALUED -- The Central Bank has announced that the austral has been devalued by 3.23 percent relative to the dollar. The dollar stands at 1 austral to $1, buying, and 1.1 austral to $1, selling. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 11 Aug 86 PY]

EDUCATIONAL TV EXCHANGE WITH BRAZIL -- Argentina Telvisora Color (ATC) and the Fundacao Centro Brasileiro de Televisao Educativa (Funteve) have signed a 3-year agreement providing for the training of artistic, administrative, and professional personnel under an exchange program. Also under the agreement, joint seminars, courses, and program exchanges will occur. [Excerpts] [Buenos Aires TELAM in Spanish 1726 GMT 29 Jul 86 PY]

GEN LOPEZ LEYTON TERMS GOVERNMENT WORK POSITIVE

PY081446 La Paz La Red Panamericana in Spanish 1130 GMT 8 Aug 86

[Text] The Bolivian Armed Forces consider positive the work being conducted by the MNR [Nationalist Revolutionary Movement] government headed by President Victor Paz Estenssoro.

General Raul Lopez Leyton, commander in chief of the Bolivian Armed Forces, made this statement, adding that the people should have more faith in the national authorities.

Regarding the role of the Bolivian Armed Forces, Lopez Leyton said that the most important factor is the unity that is being achieved in the Armed Forces.

Regarding rumors of possible uneasiness caused by the presence of foreign troops in the country, he said that they are not true, that they are mere speculation stemming from sectors that claim the existence of a reported penetration by neighboring countries into Bolivia. The units in charge of safeguarding the borders are conducting their tasks efficiently throughout the nation, he said.

MINISTER DISCUSSES RENEGOTIATION OF FOREIGN DEBT

PY120144 Paris AFP in Spanish 1451 GMT 10 Aug 86

[Text] La Paz, 10 Aug (AFP) -- Planning and Coordination Minister Gonzalo Sanchez de Lozada today reported in La Paz that Bolivia will renegotiate its private foreign debt -- more than $1 billion -- with the foreign banks in Washington as of 18 August. The minister said that the negotiation will be difficult because the interests and amortizations cannot be paid unless the banks are willing to grant a greater flow to the current debt, thus activating the national economy.

Sanchez added that 75 percent of this debt is already in arrears with some 129 banks in various countries, and that Bolivia cannot make the payments if it does not have the income.

In conclusion, he said that Bolivia is a country that has been hit hard and is facing a profound recession. The only thing to do, according to Sanchez, is to work in order to reactivate the economy.

Bolivia's foreign debt totals $5 billion.

UMOPAR ARRESTS 7, DISCOVERS 11 COCAINE FACTORIES

PY092255 La Paz La Red Panamericana in Spanish 1130 GMT 9 Aug 86

[Text] Members of Umopar [Mobil Units for Rural Areas] have destroyed 11 cocaine factories and other paraphernalia in (Sinahota) and (Eterezama).

Five operating cocaine factories were detected during an air reconnaissance operation. The Umopar members also found enriched water and other paraphernalia which was burned on the site. In another operation conducted by Umopar in (Senda Tres), Tacuaral and (Eterezama) six cocaine factories were found. Elsewhere, in yet another operation, 900 grams of cocaine were found in Paracti, Chimore and sent to the Dangerous Substances Directorate in Cochabamba. This directorate also sent the attorney general 1.3 kg of cocaine seized during an operation in which seven people were arrested. This group consisted of six Bolivians and one Nigerian.

BRIEFS

GREEK AMBASSADOR PRESENTS CREDENTIALS -- Alexios Zakinthinos a few days ago presented his credentials to President Victor Paz Estenssoro as the new Greek ambassador to Bolivia. Zakinthinos is headquartered in Lima. [Excerpt] [La Paz PRESENCIA in Spanish 12 Jul 86 p 7 PY]

NAVY COLLEGE COMMANDER -- On 25 July Captain DAEM [Graduate of the National War College] Francisco Mariaca S. was installed as commander of the Navy College. Mariaca is replacing Captain Luis Azurduy, who has become the Navy chief of staff. [Excerpts] [La Paz EL DIARIO in Spanish 25 Jul 86 p 5 PY]

NAVAL WAR COLLEGE DIRECTOR -- During a ceremony held on 28 July and attended by Navy Chief of Staff Captain Luis Azurduy Z., Captain DAEM [Graduate of the National War College] Fernando Torred Alarcon was installed as director of the Dr Ladislao Cabrera Naval War College. Torres Alarcon is replacing Captain Francisco Mariaca. [Excerpt] [La Paz EL DIARIO in Spanish 29 Jul 86 p 5 PY]

INAC DIRECTOR -- In a ceremony to be held on 24 July at 1000 at the INAC (National Institute of Civic Aeronautics) building in Miraflores district, Colonel Eduardo Mendez M. will be installed today as the INAC director. Mendez is replacing Colonel Alberto Vasquez. [La Paz EL DIARIO in Spanish 24 Jul 86 p 4 PY]

INFLATION RATE -- The National Institute of Statistics has reported that from January to June 1986 the cumulative inflation rate reached 56.63 percent. [Excerpt] [La Paz PRESENCIA in Spanish 27 Jul 86 p 10 PY]

GROSS, NET RESERVES -- Finance Minister Juan Cariaga has told PRESENCIA that through 14 July Bolivian gross reserves totaled $337.5 million, while net reserves totaled $214.9 million. [Excerpts] [La Paz PRESENCIA in Spanish 20 Jul 86 p 1 PY]

NONTRADITIONAL EXPORTS -- The Information Ministry has reported that in the first half of 1986, Bolivia collected $175 million on its nontraditional exports. [Excerpts] [La Paz PRESENCIA in Spanish 31 Jul 86 p 7 PY]

URUGUAYAN PRESIDENT ARRIVES IN BRASILIA

PY111646 Madrid EFE in Spanish 1458 GMT 11 Aug 86

[Text] Brasilia, 11 Aug (EFE) -- Uruguayan President Julio Maria Sanguinetti today travelled to the Brazilian capital to start an official 5-day visit to this country. Sanguinetti arrived at the Brasilia Military Base from Salvador, capital of Bahia State, where he spent the weekend, at 1105.

The Uruguayan chief of state and his entourage were met by Brazilian President Jose Sarney, government officials, and members of the military. After the military honors, which included a salvo of cannon fire, Sanguinetti and his entourage left for the Jaburu Palace, where they will stay.

The two presidents will hold their first private meeting this afternoon at Planalto Palace, the seat of the Brazilian Government.

FURTHER REPORTAGE OF ALLEGED NUCLEAR TEST SITE

Details of Testing Area

PY111602 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 86 p 6

[Text] The Brazilian Government is building underground installations in the Cachimbo Serra, south of Para State bordering Mato Grosso, for military purposes. The installations consist of wells and domes that will make them suitable for various types of nuclear tests and storage of atomic waste.

Geological and hydrological surveys have been conducted in the area since 1981. Last month, the construction of a 1-meter diameter, 320-meter deep well was completed. The area for testing will be completed by 1991. When FOHLA DE SAO PAULO announced that it would publish the news in today's issue, President Jose Sarney reacted. According to his press secretary, Fernando Cesar Mesquita, the president said "no document of that type has ever come to my desk." Military Cabinet Chief General Ruben Bayma Denys said, again according to Presidential Press Secretary Mesquita, that the information "is absolutely untrue." Brigadier Hugo de Oliveira Piva, director of the Airspace Technical Center of San Jose dos Campos (Sao Paulo State), was called early last night to come to Brasilia urgently.

The region where the wells and domes are being constructed was by decree staked out as a military area during the Geisel government (1974-1979). It is bisected by the Cuiba-Santarem Highway (Brazil 163) and is 720 km from Belem (Para State), 1,200 km from Brasilia, and 720 km from Manaus (Amazonas State). The three closest forest areas are: the Mundurucania forest reservation at 180 km, the Bau-Mencranotire Indian Reservation at 60 km, and the Xingu Nacional Park at 300 km.

The testing area project was prepared by the Armed Forces Joint Staff (EMFA) with the cooperation of scientists from organizations that fall under the Space Technical Center (CTA) of the Aeronautics Ministry, 97 km to the northeast of Sao Paulo; namely, the Space Activities Institute (IAE) and the Advanced Studies Institute (IEAV). The area's military security is the responsibility of the Brazilian Air Force, which has a 3,200-meter landing strip in the area.

The Cachimbo Serra was chosen because of its geological characteristics. It comprises a group of plateaus with a maximum height of 640 meters above sea level. It is covered with sandstone and a thick layer of impermeable igneous rocks that protect the phreatic (water-bearing) layers. The Cachimbo Serra Military Region is located in the municipality of Itatituba and occupies 700 sq km -- the largest in Brazil. The geological survey revealed that the area contains no exploitable mineral resources. Its underground characteristics permit the necessary excavations for the construction of atomic waste dumps and domes for nuclear testings. The military reservation of the Cachimbo Serra is already being used by the Armed Forces for testing of war materiel such as fragmentation bombs and conventional (nonnuclear) rockets and missiles.

The first well to be constructed was finished last month. It is 1 meter in diameter and 320 meters deep. The Mineral Resources Prospecting Company of the Mines and Energy Ministry (CPRM) began geological and hydrological surveys of the region in 1981 at the request of the Airspace Technical Center (CTA) of the Aeronautics Ministry. The first geologists who went to that work for the Superintendency of the Mineral Resources Prospecting Company (CPRM) of Minas Gerais. The project was surrounded by security measures from the start, and the personnel working on it knew that it was "secret."

The well that was finished in July took a year to be dug and overlaid because the CPRM did not have the technology to dig a well of that size and the Aerospace Technical Center (CTA) had to import a drilling column from the United States. This well is 17 km from the Cuiaba-Santarem Highway. At times 40 people worked on the construction of this well. Only the CPMR director had access to information on the work, which was internally known as "Indian Stone Project." Since being commissioned by the CTA for this work, the CPRM has had three presidents: Jose Raimundo de Andrade Ramos, General Salvador Mandin, and Jose Carlos Boa Nova, who is the current president.

Excerpts from the IAE, IEAV, and the Navy continue to survey the land to locate the sites where future wells and domes will be built. This survey is scheduled to be completed by the end of this year. The wells will have the same dimensions as the one that was completed in July. This well has been overlaid with concrete, but the domes will be overlaid with concrete, lead, and asbestos. The wells where the atomic waste will be stored will be 100 to 150 meters deep and will be overlaid with concrete alone. The explanation is that their depth minimizes the risk of leakage.

By the end of 1991, Brazil might be the first country south of the equator to possess areas reserved for underground atomic tests and atomic waste storage. The main objective of the EMFA project is to guarantee the mastery of advanced technology (advanced studies or pure physics) to which only developed nations have access and which will not be transferred. Since November 1985, the EMFA has had the cooperation of experts from two organs that fall under the CTA, the IAE and the IEAV. The IAE and the IEAV, jointly with the Navy Research Center and the cooperation of the Nuclear Research Institute of Sao Paulo University, have been working for several years to gain technological expertise over the raw materials essential to the manufacture of nuclear devices: plutonium and enriched uranium.

Two reasons have led the EMFA to continue this project: Soon the Angra nuclear plants will be operating fully and the country must find a way to store atomic waste (uranium burned by the reactors, radioactive materials and unburned uranium that has captured neutrons become plutonium) without posing risks for the population; and second, to manufacture atomic missiles.

The second phase of this project -- the manufacture of atomic warheads -- which is considered the most important, is also under way. An agreement was signed last year between the Governments of Brazil and the PRC for the exchange of technology leading to the development of solid fuel missiles with atomic warheads similar to those developed by the United States in the 1960's.

Physicists: Plutonium Tests Possible

PY111857 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 86 p 6

[Text] After being informed by FOLHA DE SAO PAULO about the construction of underground facilities in the Cachimbo Serra region, possibly for atomic experiments, nuclear physicist Rogerio Cerequeira Leite said that the facilities being built there "may mean that the government has decided to carry out small chain reactions or preliminary nuclear reactions, which do not produce much energy, but will serve to formulate a process for the production of plutonium." Cerqueira Leite is a professor at the University of Campinas (Unicamp) and is a member of the FOLHA Editorial Council.

Contacted by phone in New Jersey (on the Eastern seaboard of the United States), Cerqueira Leite discarded the possibility that those installations will be used for "nuclear waste" storage. He then added: "I do not believe that Brazil should be so prematurely concerned with atomic waste storage, because the material removed from a nuclear reactor can only be manipulated and transported to a definitive storage site after its has been "cooled" for 5 or 6 years. Furthermore, the question of atomic waste is only a recent source of concern in the world, even in the United States."

Physicist Jose Zatz agrees with Cerqueira Leite: "This information is consistent with the execution of minor tests with highly radioactive material, but the possibility of tests with highly toxic or explosive material cannot be dismissed." For Cerqueira Leite, the concern of the experts involved in the project to locate areas that are impermeable to the phreatic layers in the subsoil "indicates that contaminating substances are being manipulated there, substances that, should they leak and contaminate phreatic layers, and consequently rivers, will have tragic consequences."

Rogerio Cerqueira Leite said that the information gathered by FOLHA DE SAO PAULO is consistent with the construction of a "furnace" for the production of plutonium. He added that "experiments like this are normally conducted in underground tunnels and the concern for security is warranted because 1 billionth of a gram in the lungs is fatal for a human being."

Uranium is produced by the bombardment of Uranium 238 with neutrons released by Uranium 235. Experiments like those in the hypothesis raised by Professor Cerqueira Leite are aimed at working out stages in the process of producing plutonium. Cerqueira Leite concluded: With these experiments, some of them conducted at low temperatures, it is possible to identify moderator agents necessary in the process, as well as to make observations that will be useful in the future. These experiments might be thought of as the pilot project for a large-scale undertaking."

Military Use Possibility Admitted

PY111848 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 9

[Text] A secret 32-page document issued by the National Nuclear Energy Commission (CNEN), which is linked with the Mines and Energy Ministry, includes a copy of a decree signed by former President Ernesto Geisel on 7 March 1979. The decree reserved the "Cachimbo." "Caruaes," and "Gorotire" areas in Para State for "Armed Forces testing grounds." The document, which FOLHA obtained from Government House in Brasilia, states that "some technologies and know-how that are developed for peaceful purposes can be useful for military development."

The first pages of the document were obtained by FOLHA earlier and its last pages yesterday. The document was prepared in response to a "request for information" to the government by Deputy Eduardo Suplicy, Workers' Party (PT) candidate for the governorship of Sao Paulo, who wanted to learn about the government's nuclear activities. The document also contains copies of the agreements that Brazil has signed with the PRC and Argentina. Deputy Suplicy yesterday said: "I requested information on the activities that the government is carrying out in the nuclear field, and the copy of the decree came among the other papers."

The document confirms that the government is conducting research in reprocessing plutonium, which is used for manufacturing atomic bombs or feeding fast reactors in combination with enriched uranium. The CNEN says that "depending on the strategy adopted for reactors, the plutonium obtained from industrial reprocessing, combined with uranium, could be utilized in pressurized water reactors (PWR), obviating the use of enriched uranium." The Angra 1 reactor is a PWR type reactor.

EMFA Admits Construction

PY111833 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 8

[Text] The Armed Forces Joint Staff (EMFA) yesterday admitted in an official note that a project is being carried out in the Cachimbo Serra area in the southern region of Para State bordering Mato Grosso State for "the testing of material and equipment." The note, however, affirms that Brazil does not have "any testing program" leading to the manufacture of nuclear weapons. The government refused to grant permission for a journalist from FOLHA DE SAO PAULO to visit the Cachimbo Serra site. The EMFA released the note in the wake of a report published exclusively by FOLHA yesterday regarding underground facilities that are being built at the military base in that region. The note confirms part of the information published by FOLHA, and does not deny any part of it. The government's reaction was terse but denoted concern. The Planalto Palace's apprehension is motivated primarily by four reasons [as published]. First, fear that the news may encourage ultraconservative military officers in Brazil and Argentina who are interested in frustrating negotiations between the two countries to reach a bilateral nuclear agreement. The Sarney government considers it important to improve relations with Argentina, and the nuclear question has historically been a sensitive subject between the two countries. The Planalto Palace fear is that the diplomatic effort for a rapprochement with Argentina might be undermined by old mistrusts in the nuclear sector.

Relations with Argentina are the main concern at Planalto Palace following the report published by FOLHA. But the Sarney government is also afraid that the news may create difficulties in the delicate relations with the FRG and the United States in the area of advanced high technology. There is the added fear that the international community might become suspicious about Brazil's professed intention of using nuclear energy only for peaceful ends. Finally, it is believed that type of information could delay the country's progress in the nuclear area. The refusal by the Aeronautics Ministry to allow FOLHA reporters access to the military base at Cachimbo Serra demonstrates that the government does not intend to facilitate the publication of information on that sector, despite the fact that the official EMFA note indicates that the information published by FOLHA is true and was correctly reported. The sophisticated security scheme around Cachimbo Serra will remain just as tight. No government official will formally reveal the whole nature of "the testing of material and equipment for the development of airspace capability." However, someone in the government was willing yesterday to admit "off the record" the possibility that atomic waste might be stored and nuclear experiments for either peaceful or military purposes might be conducted at Cachimbo Serra.

Military Testing Ground Decree

PY111733 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 9

["Text" of Decree No 83,240 reserving an area of land for use by the Armed Forces as a testing ground in Para State]

[Text] Article 1 -- The three adjacent areas known as "Gleba Cachimbom," "Gleba Curuaes," and "Gleba Gorotire," which cover a total area of approximately 4,407,000 hectares in Para State and are owned by the Federal Government, are hereby reserved as an "Armed Forces testing ground," which shall be under the jurisdiction of the Armed Forces Joint Staff.

Single paragraph -- The land area referred to in this Article has the shape of an irregular nonagon (ABCDEFGHIA), the vertices of which have the following coordinates:

A: 054 degrees 07 min W, 07 degrees 30 min S; from "A," a straight line up to B" 054 degrees 22 min W, 07 degrees 44 min S; from "B," a straight line up to C: 054 degrees 15 min W, 08 degrees 00 min S; from "C," a straight line up to D: 054 degrees 07 min W, 08 degrees 23 min S; from "D," a straight line up to E: 054 degrees 06 min W, 08 degrees 35 min S; from "E," a straight line up to F: 054 degrees 03 min W, 08 degrees 49 min S; from "F," a straight line up to G: 054 degrees 06 min W, 09 degrees 36 min S; from this point, a straight line following the borderline between Para and Mato Grosso States up to H: 056 degrees 00 min W, 09 degrees 29 min S; from "H," a straight line up to I: 056 degrees 00 min W, 07 degrees 30 min S; from "I," a straight line up to "A" closes the nonagon.

Article 2 -- The land area referred to in Article 1 shall be under the jurisdiction of the Armed Forces Joint Staff.

Single paragraph -- The Federal Property Service shall issue a document handing over the land area referred to in this Article to the Armed Forces Joint Staff.

Article 3 -- The existing military facilities in "Gleba Cachimbo" shall remain under Aeronautics Ministry management and jurisdiction and shall be used for air traffic control.

Article 4 -- Until the corresponding regulations are issued, the land area referred to in Article 2 shall remain under the Aeronautics Ministry jurisdiction.

Article 5 -- The Armed Forces Joint Staff shall take the necessary action to comply with the terms of this decree.

Article 6 -- This decree shall come into force on the day of its publication. All resolutions opposing the terms of this decree are hereby repealed.

Brasilia, 7 March 1979, 158th year of independent life, 91st year of the Republic.

Ernesto Geisel, Geraldo Azevedo Henning, Fernando Bethlem, J. Araripe Macedo, Jose Maria de Andrada Serpa.

INFORMATICS DELEGATION LEAVES FOR PARIS TALKS

PY111720 Rio de Janeiro O GLOBO in Portuguese 9 Aug 86 p 19

[Text] Sao Paulo -- The Brazilian Government will examine all foreign cooperation projects in the field of informatics, and it will allow assiciations and direct investments if the projects are of great technical complexity and unattainable by national industry at its present stage of development. This will be one of the main explanations that the Brazilian delegation will give the U.S. representatives at the second round of negotiations over the Informatics Market Reserve Law, that are to be held in Paris on 11- 12 August.

This information was released yesterday by the secretary general of the Science and Technology Ministry, Luciano Coutinho, who recalled that the Special Secretariat of Informatics (SEI) receives many informatics projects from foreign companies and that Article 22 of the Reserve Law allows their approval if the technological development conditions are met.

In Brasilia, the Brazilian delegation headed by Itamaraty Secretary General Paulo Tarso Flecha de Lima is leaving today for Paris to participate in the second meeting on the Reserve Law with representatives of the U.S. Government. This time the talks will deal with a document that the U.S. delegation will present that lists 26 reservations pertaining to the Informatics Law.

BRIEFS

PETROBRAS PROFIT FIGURES -- On 4 August, Petrobras announced a net profit of 15,276,000,000 cruzados for the first half of 1986. From this 1.61 billion cruzados will be paid in dividends to stockholders. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 86 p 1 PY]

HUGE ARMS CACHE FOUND; USSR IMPLICATED

PY111839 Santiago Domestic Service in Spanish 1700 GMT 11 Aug 86

[Report by Mobile Unit No 5]

[Text] National Intelligence Center [CNI] personnel have seized a large shipment of weapons sent to Chilean terrorists. The huge arsenal, which was found in the 3d Region, includes hundreds of automatic arms, thousands of cartridges, grenades, and sophisticated communications equipment. The shipment was brought to this remote spot on the Chilean coast near Vallenar by Soviet fishing boats. Three individuals reportedly have been arrested in the area.

In view of the implications of the action, the entire arsenal was brought to Santiago, where it was inspected by President Augusto Pinochet, who wanted to learn the details of the operation. The president was accompanied by CNI Director General Humberto Gordon, the interior minister, and the minster secretary general of government.

It was reported that the arsenal was found in a small bay 90 km from Vallenar, where the terrorists had built a complete infrastructure camp, with a clinic, storage facilities, and an airstrip. Vehicles were also found in the camp, which was disguised as a fishing industry installation.

After learning about the discovery of the arsenal, the largest ever found in our country, President Pinochet told reporters that the entire capital could be blown up with the weapons. He added that this proves that terrorism does exist and that it is not a government fabrication.

Fighting With Guerrilla Group

PY111847 Paris AFP in Spanish 1808 GMT 11 Aug 86

[Excerpt] Santiago, 11 Aug (AFP) -- Reliable sources today reported in Santiago that the Chilean military forces confronted a guerrilla group in the northern region of the country and that they have seized a fairly large arsenal.

The confrontation, in which apparently there were casualties, took place early on the morning of 7 August in the area of Carrizal Bajo, in the neighborhood of the port of Huasco, 770 km north of this capital, where the military discovered the largest cache of contraband weapons since General Augusto Pinochet's government assumed power. [passage omitted]

6 Terrorists Arrested

PY120247 Santiago Domestic Service in Spanish 2300 GMT 11 Aug 86

[Excerpts] The government has reported that a plan calling for extremely violent actions and scheduled by terrorists for September was spoiled when a large arms cache was discovered on the beach near El Ballenar. This demonstrates how leftist terrorists planned to unleash a wave of violent actions next month.

The gigantic cache, the largest found since 1973, was found in the 3D Region, on an inaccesible beach where Soviet fishing ships approached the Chilean coast, violating territorial waters, and unloaded tons of weapons which were received by Chilean terrorists.

The following weapons were found: 210,000 cartridges, 348 rockets, [preceding word in English] more than 600 missiles, hundreds of grenades, and sophisticated communication equipment. [passage omitted]

A field hospital, communication equipment capable of satellite links, and underwater exploration equipment were also found, among other things. The cache was found in Corral Bay, near El Carrizal Bajo, 90 km northeast of El Ballenar in the 3d Region. From there the Soviet fishing ships unloaded the weapons which were later distributed among Manuel Rodriguez Patriotic Front [FPMR] terrorists.

In order to cover up their operations, the communist leaders who planned it created a legal company as a cover. The front was a fishing and seaweed processing company. In this manner, they bought seaweed from local fishermen for a good price and transported their weapons in trucks, covering their cargo with the seaweed, making it look like a normal transaction.

It is known that the Soviet ships unloaded their weapons in motorized inflatable dinghies. Scuba divers then hid the weapons in specially-built underground areas. The weapons were later distributed through the country, frequently by air, since the terrorists built a small airstrip nearby.

The CNI reported that together with this large cache, six members of the FPMR were also arrested. One of them was identified as Alfredo Bruno (Maldridge) Baldra. He was the link between the FPMR national logistics chief and the terrorists who received the weapons from abroad. (Maldridge) Baltra was the highest-ranking terrorist of the group, since he was the one who selected this inlet for this purpose.

Another of the arrested terrorists was identified as Rafael Pascual Arias, who for 13 years lived in Cuba, where he received guerrilla training. The other terrorists are: Italo Marcelo Abelardo Moyas Canilla, who has a long police record of bakery and supermarket robberies, and who received guerrilla instruction in Cuba last year and this year; Juan de Dios Marquez Miranda, whose record is similar to the other terrorists, receiving subversive training in Cuba; Pablo Esteban Flores Castillo, who participated in some violent attacks south of Santiago, after which he was sent to this operation in Carrizal Bajo; and Jorge Enrique Concha Gonzalez, who was in charge of maintaining the vehicles the group used in the region.

According to the official report, the following materiel was found in the CNI operations: 338 U.S. M-16 rifles, used in the Vietnam war, 37 Soviet-made hand grenades still packed in their original boxes, 315 Katiuska rocket launchers, 10,140 detonators, which are Soviet-manufactured, 600 meters of fuse, 1,872 kg of American and Soviet explosives, 210,000 rounds automatic rifle ammunition, 857 M-16 cartridges, 4,700 detonators, and 124 kg of plastic explosives. The long list includes other combat equipment.

Given this discovery and many facts that are part of this huge subversive plan, the Government Social Communications Agency [Dinacos], has made a statement. Dinacos Director Marcelo Venegas said that this CNI operation is the largest blow ever dealt to subversion.

[Begin Venegas recording] This action by the intelligence and security forces has been the most severe blow to the terrorists' clandestine supply of foreign-made weapons and equipment in the past 10 years. According to the information we have in hand, the quantity and quality of the weapons reveal that they were intended to strengthen the military infrastructure for a plan of violent actions scheduled to begin in September. The details of the plan, which are being studied, will be released to the public in due time.

The objective of promoting violence and chaos and instilling a strong feeling of fear in the people is part of the strategy of violence and terrorism that the Communist Party and its armed branches have conceived with Soviet Marxist help. [end recording]

He concluded by saying that it is important to emphasize the work done by the CNI and the valuable cooperation from the Armed Forces and Carabineros, who helped neutralize this violent threat. The CNI showed the huge arsenal to the president, the interior minister, and the minister secretary general of government, who also saw a film of the weapons and the area where the arsenal was seized. The film showed the weapons and the airstrip that could be used to send the weapons to other places in our country. After inspecting the arsenal, the journalists asked the president his opinion of the seizure.

[Begin recording] [Pinochet] This proves that I am telling the truth. These weapons are enough for a 600-man army, which for the guerrillas is equivalent to a (?20,000-man) division.

[Reporter] Is this the war to which you have referred on so many occasions...?

[Pinochet interrupting] I have said this on so many occasions! We are waging a war. There might not be a fire, but the war is there. And politicians continue to talk...

[Reporter] Mr President, the use of this arsenal would have certainly claimed many innocent lives...

[Pinochet interrupting] Many, many [words indistinct] Here is a ton of [changes thought] ...the equipment is complete.

[Reporter] One thousand three hundred kg [words indistinct]?

[Unidentified speaker] One thousand three hundred kg.

[Pinochet] One thousand three hundred kg of TNT. This is enough to blow up 50 percent of Santiago.

[Unidentified speaker] This will be used for the peaceful protests [words indistinct]

[Pinochet] Of course, it is for the peaceful protests [words indistinct]. This is just the tip of the iceberg. There must be much more. When a network is discovered, one sees only the tip of the iceberg. There are other things beneath it.

[Reporter] Mr President, who is financing all this?

[Pinochet] You should draw your own conclusions. Russia, the countries behind the Iron Curtain, and the useful idiots who are on the side with which you are familiar. [end recording]

In conclusion, the president talked over the discovery with CNI Director General Humberto Gordon. Upon leaving, the president said that this fact shows the objectives of terrorism.

Ministry Issues Communique

PY120329 Santiago Radio Chilena in Spanish 2300 GMT 11 Aug 86

[Communique issued by the Ministry of the Secretary General of the Government; date not given]

[Text] Regarding the investigations that led to the discovery of an extraordinary cache of war materiel and explosives imported from abroad by international sponsors of communist violence and intended for terrorist groups here, the government declares:

First: This discovery once again demonstrates the existence of terrorist organizations which in this case have gathered a large amount of advanced and high quality materiel with the evident purpose of carrying out fights, murders, and hindering national activities.

Second: The objectives of all this materiel were meant to be applied against the whole Chilean community, its coexistence, and its destiny of progress and democracy. The will for death, disorder, and guerrilla confrontation, can only be understood within this context, since they would undoubtedly have affected all sectors of a society, which cherishes order, justice, and freedom.

Third: This intention to create an atmosphere of fear and intimidation should be categorically rejected by all Chileans, regardless of differences of opinion, for a future of national development, since terror and violence are foreign factors inconsistent with nationalistic feelings.

Fourth: The task undertaken by the CNI with help of the Armed Forces and forces of order deserves our recognition, because through their investigations they have prevented this deadly materiel from being used for its express purposes.

Fifth: Nothing will deter the government from its clear and resolute will to lead the country in peace toward a future of total development planned in keeping with the Constitution and the law. The government is likewise sure that the public will always understand the preventive meaning of the security measures it must adopt to dismantle attempts of aggression such as those mentioned. Therefore, the government will remain alert to preserve by all means the safety of institutional order, citizens, and private property.

MINISTRY ON REPORTS OF 'COVERT' U.S. OPERATION

PY112248 Paris AFP in Spanish 2220 GMT 11 Aug 86

[Text] Santiago, 11 Aug (AFP) -- The Foreign Minstry reported in Santiago today that General Augusto Pinochet's government today conveyed to the United States its displeasure over reports of a covert U.S. intelligence service operation in Chilean territory.

These reports surfaced 1 week ago when the U.S. news media revealed an official U.S. investigation into a plan launched in Chile to intercept Chilean Armed Forces communications. The official communique of the Chilean Government explained that the Chilean Government conveyed its displeasure through the acting foreign minister, General Sergio Covarrubias, to the U.S. ambassador in Santiago, Harry Barnes.

ARMY ISSUES COMMUNIQUE ON DESERTER DRAFTEES

PY081327 Santiago Domestic Service in Spanish 1100 GMT 8 Aug 86

[Text] In an official communique, the Chilean Army has set things right by clarifying events involving recruits who deserted. These events reported by news agencies abroad beginning in the early morning hours of 7 August. Regarding various reports about the desertion of two Army soldiers disseminated by various news agencies, the Army Public Relations Department has issued the following public statement. Here is the text:

Concerning cable reports released yesterday that [words indistinct], the Army Public Relations and Information Department reports the following:

1) Conscript soldiers Manuel Vladimir Olivares Morales and Miguel Angel Melendez Baez, who were performing their military service at the Buin Regiment and at the Infantry School, took leave on 31 July and 1 August, respectively. They have not returned to their barracks. Thus, they have missed roll calls.

2) In keeping with the previous point, these facts have been reported to the military courts so they can take the appropriate legal actions for the crime of desertion.

3) Concerning the arms presumably possessed by them, as reported by the UPI news agency on 7 August, they do not belong to the above-mentioned military units.

[Signed] Army Public Relations and Information Department

MIR'S ANDRES PASCAL ALLENDE RETURNS SECRETLY

PY080122 Paris AFP in Spanish 2202 GMT 8 Aug 86

[Text] Santiago, 8 Aug (AFP) -- Andres Pascal Allende, leader of the outlawed Movement of the Revolutionary Left (MIR), has entered the country clandestinely and granted a press conference in downtown Santiago, calling for a popular uprising against the government of General Augusto Pinochet.

Andres Pascal Allende, nephew of the late socialist President Salvador Allende and one of the most wanted men by the security services of the military regime, accused the United States of encouraging the restoration of democracy in Chile, just to protect its own interests.

The U.S. Government of President Ronald Reagan is advocating an agreement for the orderly transition to a regime that will faithfully respond to imperialist interests, the MIR Secretary General affirmed.

Andres Pascal Allende thus evaluated the declarations made by the U.S. Department of State in support of a peaceful transition to democracy in Chile, to avoid the risk of greater social polarization under the incumbent regime. This was recently said by State Department spokesmen in Washington.

The MIR leader, who left Chile 3 years after the military coup against Salvador Allende in 1973, said that the development of the people's military capability is fundamental to putting an end to the dictatorship. Acting on this premise, he added, the MIR will accept the formation of an emergency government to take over the country, but will reject the idea of a social pact to ensure the stability of the future democracy, because that would be like extending a blank check to the dominant classes.

In mid-1979, Andres Pascal Allende returned to Chile from exile in Cuba, dodging the security services, which almost captured him in August of that year during a confrontation in the mountainous area of Arrayan, in the outskirts of Santiago.

His statement to the press was made known today, but it was made Tuesday, 5 August in a building located in downtown Santiago, where he was in the company of Hernan Aguilo, a workers leader and MIR's Number 2 man, who has been underground for the past 13 years.

I have been coming in and going out of the country, said Andres Pascal Allende, 42, who is one of the few surviving founders of MIR, which was created in 1965 by University of Concepcion students, prompted by the then new winds blowing through Latin America after the Cuban revolution, and under the influence of the legendary personality of Che Guevara. Other MIR founders, such as Miguel Enriquez, Edgardo Enriquez, Bautista Von Schouwen, and Augusto Carmona, were killed in confrontations with government agents or disappeared.

The MIR secretary general admitted that his movement maintains contact with the FPMR [Manuel Rodriguez Patriotic Front], which for the past 3 years has claimed responsibility for many acts of sabotage and dynamite attacks, as part of its strategy of insurrection against the Pinochet government.

In statements made in Havana exactly one year ago, the MIR leader announced that the holy war of the people against the dictatorship had begun. In an interview published in EL MERCURIO on 9 August 1985 Andres Pascal Allende said that we would like freedom to be recovered at the smallest possible cost and sacrifice.

GOVERNMENT TAKES MEASURES AGAINST PERUVIAN SHIPPING

PY081814 Madrid EFE in Spanish 0043 GMT 8 Aug 86

[Text] Santiago, 7 Aug (EFE) -- The Official Gazette reported today that the Chilean Government today ordered that Peruvian ships be given no freight to carry between Chilean and U.S. ports. Sergio Nunez, manager of the National Shipowners Association of Chile, said that this measure is a reaction to a similar measure by Peru on 20 February, which affects Chilean ships carrying freight to and from the United States.

"We hope that with this Chilean measure, the Peruvian authorities will react favorably and reach an agreement that will be advantageous to our two merchant marines," he stated.

Nunez added that Chile favors free access to international freight, but added that the Chilean law on this matter also invokes the principle of reciprocity. According to that principle, he concluded, "Chile will take restrictive measures against ships of those countries that adopt measures against ours."

COMPANY LOCATES BODY OF U.S. EXECUTIVE

PA111938 Madrid EFE in Spanish 1836 GMT 11 Aug 86

[Text] Bogota, 11 Aug (EFE) -- U.S. Engineer Edward Sohl, who, together with another U.S. executive was kidnapped 7 months ago in the Colombian Department of Norte de Santander, was found dead in a mountainous area in the country's northeastern region, it was reported today.

Bogota's daily EL ESPECTADOR reported that Sohl, 63, an executive of the "Bechtel Overseas" firm died from a heart attack on 16 May. [date as received] His body was found in the past few hours after kidnappers revealed where he was buried.

Edward Sohl and John Grieddes, both of whom worked for "Bechtel" were kidnapped in December of last year by guerrillas of the Maoist Popular Liberation Army, EPL, while they were at an oil field in Oru (Norte de Santander), 400 km northeast of Bogota.

The report added that Sohl died due to the high temperatures in that oil sector. Grieddes was freed by the guerrillas, although the EPL continued demanding money from the company as a ransom.

Grieddes' arrival at the "Bechtel" headquarters, which is currently conducting works at the Cano Limon (Arauca) oil sector, near the Venezuelan border, stunned the company directors, who had been lead by the EPL to believe that the two executives were "alive and in good health."

Sohl was an expert in hydroelectrical and mechanical installations. The recovery of his corpse was possible through contacts between the Bechtel company and the guerrillas. It is said that his body was preserved for several days [as received] inside a special plastic bag. The Bechtel company has not officially confirmed the report or the possible forwarding of Sohl's remains to his relatives in the United States.

GUERRILLAS ATTACK IN FOUR DEPARTMENTS

PA090116 Bogota EL SIGLO in Spanish 5 Aug 86 pp 1, 2

[Excerpts] Six guerrillas, four citizens, including a lawyer, and a soldier died yesterday as a result of new clashes between subversive columns and members of the Army and of the National Police in Antioquia, Huila, Cundinamarca, and Norte de Santander.

Authorized spokesmen of the Defense Ministry and of the National Army command reported that the wave of violence began at the Police Station in San Pedro de Caparrapi, located in the municipality of Caparrapi, Cundinamarca.

Caparrapi's Mayor Guillermo Leon Ordonez said that a rebel column, apparently from the FARC, tried to occupy the Police Station, but the attack was repelled by the townspeople. [passage omitted]

The same spokesmen reported that in Antioquia Department, rebel columns, apparently from the National Guerrilla Coordinating Board (CNG) ambushed Army and Police patrols in the municipalities of Argelia and Anori. [passage omitted]

The official spokesmen added that with this wave of violence, there were clashes between a column supposedly made up of FARC guerrillas and a patrol of the 9th Brigade. Two unidentified rebels died in this incident. [passage omitted]

Meanwhile, military and police sources reported that in Cucuta, Norte de Santander, lawyer Luis Francisco Carbonell Secerra was killed by presumed members of the Diego Escobar Uribe regional front of the Castroite National Liberation Army (ELN) for unknown reasons. [passage omitted]

M-19 Planned Action in Cali

PA102142 Bogota Cadena Radial Super in Spanish 1730 GMT 10 Aug 86

[Text] A few hours ago, intelligence groups seized weapons, ammunition, M-19 propaganda, and maps of the city of Cali and police precincts in a chic sector in the capital city of El Valle del Cauca Department.

A military spokesman confirmed to "Supernews" that the (?cache) was located following the arrest of five M-19 members. Members of that group had apparently abandoned it days ago in the wake of the theft of 85 cases of dynamite. The Army later recovered the dynamite.

Studies of the maps indicated that on the occasion of the 450th founding of the city of Cali, the guerrillas were seeking to perpetrate a number of actions and attacks against police precincts. Meanwhile, operations are continuing in various sectors to locate other centers of operations of the subversive movement which has recently (?perpetrated) actions in this city.

Guerrillas Occupy Village

PA101932 Bogota Cadena Radial Super in Spanish 1730 GMT 10 Aug 86

[Excerpt] Medellin -- For more than an hour today a large column of the National Guerrilla Coordinating Board occupied the village of San Pedro de los Milagros, north of the city of Medellin, and clashed with police units after cutting electrical and telephone services.

According to preliminary reports, at about 1000 a group bearing firearms and dressed in Colombian military uniforms stormed into San Pedro, where group members immediately cut telephone and power lines.

Members of this subversive movement attacked the police station; it is not known whether there were any dead or injured.

Troops belonging to the Army's 4th Infantry Brigade were flown to San Pedro to reinforce the police. [passage omitted]

OFFICIAL RULES OUT RISE IN OIL PRICES

PA080410 Quito Radio Quito in Spanish 2300 GMT 7 Aug 86

[Text] Energy and Mines Minister Javier Espinosa Teran explained the results of the latest OPEC meeting during a news conference. The minister said the recent agreement reached by the OPEC representatives, although temporary, opens the door to final discussions on the distribution of quotas by OPEC members. He said that by October the price per barrel could be set at approximately $17. However, he said the recent price recovery does not reflect the true situation in the market because there is still an oversupply. It is worth noting that during his news conference, Minister Espinosa Teran ruled out the possibility of increasing oil prices.

[Begin recording] [Espinosa] (?OPEC) has still not worked out all matters. Each country will send a delegate, rather an expert, to Vienna for 60 days. The purpose is for them to decide or analyze the information coming from each country. The countries are to submit weekly reports to OPEC, first about their exports and then about their levels of domestic consumption. This information will be analyzed and compared with reports from organizations that do this sort of work all over the world, [words indistinct]. It is worth noting that OPEC will be particularly careful to properly follow up on this.

[Reporter] [Question indistinct]

[Espinosa] Well, as happens with any commodity market, it is basically speculative. For that reason, the price rose drastically by $5 in the first 2 days, but this does not reflect the market situation. We still have an oversupply. Based on an unofficial agreement by the countries, the supply [words indistinct] will not rise above the current levels. [end recording]

STATION CLOSED FOR 'SLANDER' AGAINST PRESIDENT

PA101843 Quito Voz de los Andes in Spanish 1230 GMT 10 Aug 86

[Text] It has been reported from Guayaquil that on the orders of the National Secretariat for Public Information, Guayaquil's Radio Atalaya was temporarily closed at 1200 yesterday and legal proceedings initiated against journalist Hugo Fernandez Calle, under the charge of grave slander against the head of state. The charge is due to the dissemination of false reports that go against national security and that threaten public order, as a result of the broadcast of the entire statement sent from Panama by Abdala Bucaram Ortiz, director of the Ecuadoran Roldocist Party. In his statement, Bucaram Ortiz harshly criticized the government, particularly the head of state.

Accroding to the reports, policemen entered the Radio Atalaya studios Friday night but were unable to find Fernandez Calle. They are conducting a vast operation to find and arrest him so he may be tried and sentenced to prison.

RADIO SAYS OPPOSITION DISTORTS GELBARD'S MESSAGE

PY081830 Asuncion Domestic Service in Spanish 0030 GMT 8 Aug 86

["Voz del Coloradismo" commentary]

[Text] One of the evils of cheap politicking is the self-serving interpretation of facts. This is an expedient that the opposition, particularly the illegal opposition, uses to discredit the Colorado government of President Alfredo Stroessner and to distort the national and international image of our leader. One case is sufficient to prove this assertion.

The recent visit of Mr Robert Gelbard, deputy assistant secretary of state for South America, was seized on by the anti-Colorados and anti-Stroessnerists, of course, as a chance to use words, statements and meetings with Mr Gelbard to their advantage. Unfortunately for these enemies of the fatherland, the results of Mr Gelbard's visit were, objectively, quite positive and clarified some questions that were being manipulated for subversive purposes. No one, no matter how fanatic he is, can deny these results because Mr Gelbard emphasized the good will of his government toward the policies of our government. He also made it clear at all times that his mission to our country was well-meaning, guided by a principle of respect for the rules of democratic life in our country under the government of President Stroessner. Moreover, he talked as a friend of this government, which for 31 years has adhered to a firm anticommunist position, like that of the U.S. Government and people.

Mr Gelbard said: If I say something that some people take as criticism, it is only because the United States is a friend and an ally of Paraguay. He also said the United States would like to see Paraguay remain free of the violence that characterizes other countries in the region. He added that the rights of nondemocratic groups that try to undermine democracy with unreasonable demands cannot be considered. These are categorical statements that implicitly recognize the validity and legitimacy of democracy in our country. As can be seen, these were not statements of protocol. On the contrary, these statements reflect the impression that the social, economic, and political reality of Paraguay made on an objective observer. Criticism can be made and differences may exist because situations are not the same, considering that the needs and potential of any two countries are not the same. Nevertheless, an important agreement exists on the principle of friendship. Mr Gelbard said that above anything else, Paraguay and the United States are friends and allies, more so because their governments and peoples are enemies of the violence implicit in communism, a doctrine that is opposed by both Paraguayans and Americans.

Gelbard himself said that everything depends on the country's nature and system and that communist parties prefer to act in darkness. He also affirmed complete agreement on the struggle for a society free from extremism, as well as support against the attacks of political opportunists. There are 100 years of history in the alliance and ties between Paraguay and the United States, Mr Gelbard pointed out. This means that, no matter how badly it sits with some people, once more it has been demonstrated that we are on the right path and that the reality of peace, progress, democracy, and stability that characterizes our fatherland is internationally recognized.

The minions of communism were frustrated because Mr. Gelbard's visit which they thought would help their disloyal purposes, turned out to be completely unfavorable to them. The high-ranking U.S. official endorsed the policies of President Stroessner's government with only some minor, understandable objections, considering, as we said before, that situations are different in different countries. In light of these considerations, we have strengthened our intransigent stand against communism and our determination to struggle tirelessly against the agents of discord and subversion, who are covertly trying to destroy the wonderful life that this government has given to our country. This government, which respects democracy and the law, has received the unquestionable support of the ballot boxes, which have placed the name of Alfredo Stroessner in the history of free nations of the continuent.

MONTANARO EXPECTS 'CHANGE' BEFORE LAINO RETURNS

PY090227 Asuncion Cerro Cora Sistema Nacional Television in Spanish 0000 GMT 9 Aug 86

[Interview with Interior Minister Sabino Augusto Montanaro by reporter Miguel Angel Rodriguez following 8 August Cabinet meeting -- recorded]

[Text] [Rodriques] In the last few days, it has been said the government might adopt a different attitude on the return of Domingo Laino.

[Montanaro] Well, the government expects Laino to be the one to change his attitude. We expect Mr Laino ot stop lying, threatening, and talking in his usual fashion, like any other subversive -- which is what he is -- so his return to the country may be considered. We expect him to change his position and attitude regarding our country.

BRIEFS

EGYPTIAN AMBASSADOR PRESENTS CREDENTIALS -- Faruq Barakah presented his credentials as the new extraordinary and plenipotentiary ambassador of the Arab Republic of Egypt to Paraguay during a ceremony held at Government Palace on 4 August at 0900. [Excerpt] [Asuncion HOY in Spanish 5 Aug 86 p 11 PY]

AIR FORCE BOMBS DRUG TRAFFICKERS' INSTALLATIONS

PY111350 Lima America Television in Spanish 0400 GMT 10 Aug 86

[Text] Operation "Condor III" has started in the jungle area. This is another phase in the government's effort to eradicate drug trafficking. Interior Minister Abel Salinas has said that the main objectives of the operation are the Carapana I and II landing strips. This is the first time that combat planes are being used in operations of this nature.

[Begin recording] [Abel Salinas] The following is a communique issued by the Interior Ministry:

1. The government has today, 9 August, undertaken operation "Condor III." The objective of this operation is to destroy 12 landing strips, 4 of which are concrete, and to decommission cocaine processing factories.

2. Twelve Alfa 37 combat plane squadrons of the Peruvian Air Force carried out operations between 1200 and 1228 today. They used rockets, bombs, and machine-guns fire to destroy the installations and landing strips found in Carapana I and Carapana II.

The operation carried out by the Peruvian Air Force is continuing at present and it will continue for the next few hours against other objectives.

3. At the same time, airborne Civil Guard troops have occupied and confiscated installations in Tierra Amarilla.

4. The government hereby informs the people that the installations destroyed in this operation were occupied by the police in September 1985, but that in the last few months these installations were rebuilt and armed by drug traffickers who mainly come from neighboring countries.

5. Through "Condor III," the government reasserts the struggle that it has undertaken against drug trafficking, and it also confirms that it is continuing this struggle to eradicate drug consumption and to arrest and punish drug traffickers, thus terminating their corruptive influence on society and achieving the complete eradication of the illegal production of drugs and narcotics in Peru.

I must point out that this is the first time in history that combat planes have been used in the all-out war against drug trafficking.

[Reporter] Sir, could this government operation against drug trafficking be interpreted as a response to any U.S. Government plans to carry out operations with foreign troops in Peru, as happened in Bolivia?

[Abel Salinas] We are not responding to any government. But we do want to make perfectly clear that on this occasion, Peru is using its own means to combat drug trafficking, and that we will definitely not permit the involvement of foreign forces in the struggle against this scourge. [end recording]

BRIEFS

INDUSTRIAL GROWTH RATE -- Lima, 24 Jul (EFE) -- Peruvian Industry, Commerce, Tourism, and Integration Minister Manuel Romero has reported that the Peruvian industrial sector achieved a 14.2 percent growth rate during the first half of 1986 as compared to that of the first half of 1985. [Excerpt] [Madrid EFE in Spanish 0935 GMT 24 Jul 86 PY]

MARCHESANO SAYS EXTRADITIONS NOT CERTAIN

PY080143 Paris AFP in Spanish 004 GMT 7 Aug 86

[Text] Montevideo, 6 Aug (AFP) -- Uruguayan Interior Minister Antonio Marchesano said today that the extradition of four Uruguayan Army and Police officers, whose arrest was ordered this week by the Argentine courts, is not possible under Uruguayan laws.

The indictment of the officers, Jose Gavazzo, Manuel Cordero and Jorge Silveira (Army), and Hugo Campos Hermida (Police), was brought by Judge Nestor Blondi, who accused them of kidnapping and torturing Uruguayan journalist Enrique Rodriguez Larreta in Buenos Aires in 1976. When talking about the decision of the Argentine judge, Marchesano said he suspects that if the extraditiion is requested, the persons involved will use the Penal Code provisions which state that extradition shall not be granted in cases of political or related crimes. The minister said he does not know what evidence the Argentine courts might have and added that Blondi is acting under guidelines different from our own.

In his decision, the Argentine judge also ordered the arrest, as accomplices, of four other Uruguayan Army officers: General Amauri Prantl (deceased) and former Majors Ernesto Rama, Ricardo Medina, and Enrique Martinez.

BROAD FRONT OFFICE IN MALDONADO ATTACKED

PY081923 Paris AFP in Spanish 1429 GMT 8 Aug 86

[Text] Maldonado, Uruguay, 8 August (AFP) -- An incendiary attack took place last night against a branch office of the leftist coalition Broad Front in Maldonado, 130 km east of Montevideo. There were no victims in the attack, and no one has claimed responsibility for it. According to witnesses, the office was closed when the incident took place, and the attack did not cause much damage.

The Broad Front is the second political force in Montevideo and the third in the nation. It includes socialists, Communists, Christian democrats, and independents.

BRIEFS

WESTERN U.S. CONSUL DESIGNATED -- The Uruguayan Government has created the Uruguayan General Consulate in Los Angeles, California. The consulate will have jurisdiction over the western region of the United States. The government has also decided to modify the structure of the Uruguayan consular services in the United States. Based on this modification, the new consulate will have jurisdiction over the following states: Alaska, Arizona, California, Colorado, South and North Dakota, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, and Wyoming. Yamandu Laguarda has been designated to head the new general consulate. [Text] [Montevideo Radio Carve Spanish 1930 GMT 6 Aug 86 PY]

LUSINICHI DISCUSSES ACTIVITIES, MEETINGS IN BOGOTA

PA090303 Caracas Television Service in Spanish 1600 GMT 8 Aug 86

[Text] President Jaime Lusinichi will return tonight from Colombia, where he attended the inauguration of the new president. Before leaving Bogota, the president will attend several events. At this moment he is attending a luncheon given by Colombian President Virgilio Barco Vargas in honor of the heads of state and special guests who attended the inauguration.

Meanwhile, President Lusinchi has reiterated our country's wishes to achieve a solution to the problems faced by the Latin American countries by putting aside all individual interests and searching for real political and economic integration. President Lusinchi, together with the other heads of state of the continent, attended a special event held by the Latin American Parliament. At the event, President Lusinchi said that the institutionalization treaty presented to the heads of state and foreign ministers has the support of the Venezuelan Congress.

The President met with U.S. Vice President George Shultz [title as heard]. During the meeting they discussed usual matters. In statements to the press, Lusinchi denied that he had suggested a Latin American summit, because such a meeting must be very well organized.

[Begin Lusinchi recording] The presidents cannot meet to talk and make superfical decisions. A summit is a meeting of an important group of presidents -- like those of us who have come to Colombia to honor its democracy, President Barco, President Betancur, and the Colombian people. Metaphorically speaking, we could call this a summit, but not a real one, because preliminary talks were not held. [end recording]

President Lusinchi's agenda also included a meeting with Alfredo del Mazzo, Mexican mines, energy, and parastate industry secretary, who reiterated the ties of friendship between our country and Mexico. Del Mazzo said that during his meeting with Lusinchi they analyzed common problems, and he praised President Lusinchi for his excellent work in the search for a solution to the problems in Latin America. They also discussed matters related to the recent OPEC meeting and its consequences for Mexico and Venezuela.

[Begin Del Mazzo recording] President Lusinchi expressed his wishes to strengthen the dialogue and cooperation. We are certain that specific results can be achieved. As you already know, Mexico cooperates with OPEC through Venezuela. Our agreement with Venezuela has made Mexico's cooperation within OPEC much easier. There is much trust between Mexico and Venzuela, and interesting and specific results have come from this agreement. Even though it is a partial and temporary agreement, we have found that it has been useful for both Mexico and Venezuela, and I feel that the two countries are serious about fulfilling their commitments and are trying to suggest solid positions before the international community.

We have suggested serious positions aimed at an orderly management of oil matters. From Mexico's point of view, these are positions are favorable for both producer and consumer. [end recording]

SURINAME'S HERRENBERG ON LUSINCHI MEETING

PA111344 Madrid EFE in Spanish 0155 GMT 11 Aug 86

[By Marcel Roo]

[Text] Caracas, 10 Aug (EFE) -- Surinamese Foreign Minister Hendrik Herrenberg said in Caracas that Venezuela will play a very important role in the Latin American integration process.

Herrenberg stopped in Caracas on his way home from Bogota, where he attended the inauguration of Colombian President Virgilio Barco. He discussed his brief stay in Caracas with EFE, as well as his trip to Bogota, which he viewed as a further demonstration of Suriname's interest in political integration in the Latin American Continent.

Herrenberg said that many activities toward political integration have been carried out, but the problem is that Latin America does not understand Suriname's isolation. He stressed that his country wants to integrate fully with Latin America and cooperate with the region's development. He pointed to Surinamese revolutionary leader Commander Desi Bouterese's trips to Brazil and Colombia as part of this effort.

Herrenberg said that in Bogota he met with Venezuelan President Jaime Lusinchi and Foreign Minister Simon Alberto Consalvi. He said Lusinchi's philosophy is similar to that of the Surinamese revolutionary leaders and predicted that "Caracas will play a very important role in the integration process."

Herrenberg also expressed admiration for Lusinchi's knowledge of the development processes in Suriname, Aruba, Curacao, and the Netherlands Antilles and of these countries' efforts to secure a place on the continent.

Regarding bilateral relations, Herrenberg said he agrees with Lusinchi that these relations should be very serious so that "we can learn from each other." He said that during his talks with Lusinchi he invited Foreign Minister Consalvi to visit Suriname within the next few months. The invitation was also extended to Francois Moanack, Venezuelan ambassador to the Caribbean, and, "of course, to President Lusinchi."

Referring to internal politics, Herrenberg said that after 6 and 1/2 years of revolution, the military has, "for the first time in history," initiated a period of transition with the support of the most important social sectors (trade unions, labor unions, businessmen, traditional politicians). He stressed that these sectors are forming a single political body (cabinet), which is responsible for preparing a constitution for a new democratic model, "according to our particular characteristics."

U.S. SHIP DETAINED FOR FISHING VIOLATION

FL091450 Mexico City NOTIMEX in Spanish 0312 GMT 9 Aug 86

[Text] Mexico City, 8 Aug (NOTIMEX) -- The Mexican Navy has detained in domestic waters the U.S. vessel Hercules for capturing marine species in territorial waters without a permit, thus violating the country's fishing laws.

The Navy Secretariat reported that A-17 tugboat Otomi discovered the U.S. vessel in the exclusive economic zone with its nets in the water. An inspection of the vessel's hold revealed 350 kg of shrimp.

It was also reported that the five crewmembers, captain Francisco Hernandez Zonda among them, were taken to the port city of Tampico, Tamaulipas, and surrendered to the authorities.

The secretariat reported another operation conducted in Puerto Penasco, Sonora, where naval authorities seized 30 kg of shrimp and fishing gear and detained three people. They were released to the pertinent authorities.

USSR FOREIGN MINISTER PLANS OCTOBER VISIT

PA120408 Mexico City Red Nacional Imevision Television in Spanish 0300 GMT 12 Aug 86

[Text] The Mexican Embassy in Moscow announced that Soviet Foreign Minister Eduard Shevardnadze will visit Mexico during the first days of October. It will be first visit of a Soviet foreign minister to our country. During his visit, Shevardnadze will analyze bilateral relations and various world problems. According to the report, the Soviet foreign minister will visit Mexico and Canada after his official visit to Washington which is scheduled 10 to 20 September.

AGREEMENTS WITH INDIA ON ENERGY, CREDIT

FL111630 Mexico City NOTIMEX in Spanish 0040 GMT 10 Aug 86

[Excerpts] Mexico City, 9 Aug (NOTIMEX) -- Mexico and India have agreed to develop mechanisms to cooperate in energy matters and to establish lines of credit for increasing trade and cultural and educational exchanges.

The Foreign Secretariat noted that during talks held by India's Prime Minister Rajiv Ghandi and President Miguel de la Madrid, important agreements for the development of bilateral relations had been reached.

Gandhi and De la Madrid discussed specific areas in which ties could be strengthened, because of the special attention being given to them as well as the two governments' determined political will.

They agreed the energy sector offers the most favorable opportunity to increase cooperation in the medium term, based on the technology developed by the Mexican Petroleum Institute and India's Petroleum and Natural Gas Commission. [passage omitted]

During the talks reciprocal lines of credit were established between the Mexican Bank of Foreign Commerce and India's Eximbank amounting to $20 million each to support trade, once trading commodities are identified. There is a possibility the amounts will be increased to the degree the resources are used. [passage omitted]

WORLD BANK GRANTS LOANS WORTH $650 MILLION

PA091833 Mexico City XEW Television Network in Spanish 1300 GMT 9 Aug 86

[Text] The World Bank has granted Mexico two loans totalling $650 million. The first of the two credits is for $500 million; the document was signed in Washington by Alfredo Phillips Olmedo, director of the National Foreign Trade Bank. The $500 million will finance imports which the country may need, particularly products that are used to produce Mexican exports. This long-term loan is not tied to a specific project or the purchase of any previously agreed upon products; it is a general loan and available for quick disbursement.

The second loan covers the remaining $150 million. The document was signed by Dr Ernesto Marcos Yacaman, director of the National Finance Bank, Inc. Dr Marcos said that this is to be used to improve quality and to broaden the access to financial services of medium and large industries through the industrial supply fund, in addition to being used to support industries with financing difficulties.

OIL ACCORD DECLARATION SIGNED WITH VENEZUELA

PA101914 Mexico City EL DIA in Spanish 4 Aug 86 p 8

["Joint Declaration issued by the presidents of Mexico and Venezuela on the Renewal of the Program for Energy Cooperation With Central American and Caribbean countries;" date not given]

[Text] Miguel de la Madrid Hurtado and Jaime Lusinchi, the presidents of Mexico and Venezuela, respectively, bearing in mind the joint declaration issued in San Jose, Costa Rica, on 3 August 1980, and the subsequent annual declarations which renewed the program for energy cooperation with Central American and Caribbean countries, pointing out that the program's validity proves the excellent relations between the two countries, and the coordination that exists in matters related to energy, a coordination that was strengthened during the meeting of the two presidents in Cancun in January of the current year; considering that the international oil market is still characterized by instability and uncertainty, and that the drop in hydrocarbon prices harms the two countries' economic and financial situations;

Ratifying the two countries' political will to support cooperation measures to contribute to the region's economic and social development, such as the guarantee of the oil supply, and the granting of loans to finance regional trade;

Recognizing again the program's importance, as well as the need to harmonize its implementation with the needs of the beneficiaries and the legitimate interest of the grantors;

Ratifying the content of the joint declaration issued on 3 August 1985, Mexico and Venezuela declare that they will maintain in operation the program for energy cooperation for the 7th year, as of 3 August 1986, based on the following normative criteria:

1. The accord guarantees the supply of 130,000 barrels of oil per day, distributed in equal parts for each of the signatory countries, according to the net requirements of the beneficiary countries.

2. The equivalent of 20 percent of individual oil bills will finance the trade exchange of products and/or short-and long-term projects for economic development, depending on the characteristics of each operation.

3. Short-term loans will be granted for up to 5 years, at an eight percent annual interest rate, and long-term loans, for up to 12 years, at a six percent interest rate, preferably to finance goods and services coming from Mexico or Venezuela, as well as local expenses.

4. The supply will be subject to the fulfillment of the stipulations established by the grantor countries.

The presidents of Mexico and Venezuela issue this joint declaration simultaneously in Mexico City and Caracas on 3 August, 1986.

President of Mexico Miguel de la Madrid Hurtado

President of Venezuela Jaime Lusinchi

MARINES SEIZE PLANE, 233 KG OF COCAINE

PA091401 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 6

[Text] On the morning of 5 August, Marines from the 14th Zone, headquartered in Manzanillo, Colima State, seized a light plane carrying 233 1-kg packages containing pure cocaine.

The amount is worth approximately 250 million pesos on the "black market."

The cocaine was aboard a Turbo Commander 690, license KBL-AP, which apparently came from the United States.

The light plane landed at the front end of one of the airport runways. This aroused the suspicion of surveillance personnel, who jumped into two jeeps and went to inspect it. Upon noticing the patrol, the plane's crew escaped in a nearby vehicle, which presumably belonged to accomplices of the drug traffickers.

This year Navy personnel have found and confiscated 14,838 kg of marijuana in the country's coastal area and maritime zone.

The report was made by the office of the chief of naval operations of the Mexican Navy. It was noted that Mexico's topographical characteristics make it easy to engage in activities connected with the smuggling of drugs, which explains why the islands, islets, cays, and reefs are heavily patrolled. Two search operations, named "Tapir" and "Tromba," are currently underway, Four bags of marijuana, which were apparently abandoned, have been found during these operations in the islands off the coast of Yucatan. Three of the bags contained 50 kg of marijuana each. They were found on the Blanca and Pajaros Islands. One was found on Desterrada Island. The drug was turned over to the pertinent authorities.

PARTY CLASHES SURROUND ELECTION RESULTS

PSUM Demands Annulment

PA082139 Mexico City UNOMASUNO in Spanish 4 Aug 86 p 4

[Excerpt] In its 17th plenum, the Central Committee of the PSUM [Unified Socialist Party of Mexico] agreed to demand the annulment of the elections held in Chihuahua and Durango on 6 July because it feels they were fraudulent.

The PSUM Central Committee felt that its representatives were prevented from reading the electoral lists, observing the process, and having access to the voting documents. Consequently, the PSUM leadership stressed that it will gather evidence to support these claims.

The Central Committee decided that the PSUM political leadership will issue a resolution stating that the recent elections showed that the right is progressing within the ruling party and also as an opposition force. In addition, this resolution will state that democracy took a step backward in view of the progress made by those who offer no alternatives to the country. [passage omitted]

PRI: PAN Plans Destabilization

PA102146 Mexico City XEW Television Network in Spanish 1600 GMT 10 Aug 86

[Text] The PRI has revealed in a news conference that members of the National Action Party [PAN] are trying to destabilize the current Mexican Government with foreign interventions. Dr Humberto Hernandez Haddad, PRI secretary of international relations and senator for Tabasco, has revealed that a group of neo-PAN members are in Washington establishing contacts and issuing statements so an external audit is made of Mexico's internal affairs.

Dr Hernandez Haddad said that the actions being carried out by the PAN in the United States are an unpleasant chapter of interventionism the Mexican people will properly identify and reject. He added that the PRI must now assume its role against this electoral opponent, which has taken the wrong road. He said that PAN has taken national sovereignty matters to an international level. Senator Hernandez Haddad added that the neo-PAN members' demands for a foreign intervention in Mexican politics are aimed at sabotaging the upcoming meeting between President Miguel de la Madrid and Ronald Reagan, which will be held in Washington next week.

7 Dead in PRI-PAN Clash

PA101956 Madrid EFE in Spanish 1800 GMT 10 Aug 86

[Excerpt] Mexico City, 10 Aug (EFE) -- The dissatisfaction generated from the elections held in July in the Mexican states of Chihuahua and Durango has resulted in 7 dead and 38 slightly injured during a confrontation last night between members of the PRI and the PAN.

The Mexico City paper LA JORNADA reported today that 17-year old Leonel Carrillo Ruteaga died in Durango City after having been shot in the chest.

According to press reports, the clash between PRI and PAN members took place late Saturday, when members of the electoral college prevented PAN members from entering a locale where a public meeting was being held.

Durango police reported this morning that the city is now calm and that investigations are underway to find those responsible for the violent actions. [passage omitted]

PAN Protests Violations

PA081816 Mexico City THE NEWS in English 6 Aug 86 p 4

[By Peter Kultenbrouwer]

[Excerpt] The National Action Party (PAN) announced Tuesday it is withdrawing from government-initiated public forums on electoral reform in protest of what it said were gross violations of electoral law in last month's elections in Chihuahua and Durango.

In a letter dated Tuesday to Secretary of the Interior Manuel Bartlett Diaz, PAN National President Pablo Emilio Madero wrote, "We consider it improper to continue participating in a government process supposedly seeking an ideal system of political representation, when in all areas where there were elections (the government) operated in the opposite sense."

A panel including Bartlett Diaz heard from the Mexican Unified Socialist Party (PSUM) during hearings on electoral reform in Mexico City Tuesday night. The hearings are scheduled to continue until at least Aug. 22.

Thursday panel members will hear testimony on electoral reform in the Federal District. The hearings move to Monterrey Saturday.

The PAN also announced it would not attend President Miguel de la Madrid's State of the Nation address on Sept. 1. PAN Dep. Jesus Gonzalez Schmall said the party would boycott the speech because "the president does not have time to receive us, which shows that he is not interested in listening to other participants in the political process and only pays attention to what PRI members tell him."

In addition, the PAN produced documents Tuesday to support its claims that ballot boxes were stuffed and electoral rules were violated in order to guarantee victory for the PRI in all elections in Chihuahua.

The PAN produced copies of the poll registration form for station 86-B in the center of Ciudad Juarez, which indicated 3,115 ballots for municipal, congressional, and gubernatorial elections were delivered to the station before the voting began. But the party produced a copy of the official tally form for the station, which shows the PRI receiving 6,985 votes and puts the total of all votes, including invalidated ballots, at 11,691.

The PAN says the document proves the ballot box was stuffed. The PAN also offered a computerized list of alleged violations in three Chihuahua electoral districts: three, eight and 11.

According to the tally, there were a total of 19,749 violations of electoral regulations. The document, which provides a party description of the regulations, specifices which rules were violated in each district. According to the list, in the state chamber of deputy elections in district eight, officers refused to provide PAN members with an official tally form in 23 polling stations, although providing the forms is required by article 556 of the electoral code.

In elections for governor in district 11, according to the printout, nine polling stations had more ballots in the boxes than the number of voters, "showing evidence of ballots stuffing," according to a PAN statement. [passage omitted]

PRI Claims Victory in Oaxaca

PA081729 Mexico City THE NEWS in English 4 Aug 86 p 4

[Excerpt] The ruling PRI proclaimed itself the overwhelming victor Sunday night in the elections held in the state of Oaxaca.

While official results are not expected for a week, general delegate to the PRI National Executive Committee, Federal Deputy Ernesto Luque Feregrino, said his party had "swept" the elections. No major incidents of violence were reported but officials from the leftist Confederation of Workers Peasants and Students of the Isthmus (COCEI) cited isolated incidents of fraud.

COCEI local deputy, Desiderio de Gives, said supporters of the coalition in several cities faced long delays in receiving their voting credentials. Voters went to the polls Sunday to elect a governor and over 450 mayors. The PRI has never lost a gubernatorial election in its 57-year history.

Oaxaca is the only one of Mexico's 31 states where the PSUM has the strength to rival the PRI. The PSUM won several mayorships in 1981 thanks to a united front with the COCEI. This year, the Mexican Workers Party and the Revolutionary Workers Party are also backing Eloi Vasquez, the leftist coalition's gubernatorial candidate. [passage omitted]

PRI Wins in Campeche

PA091559 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 2

[By Roberto Esquivel]

[Excerpt] Campeche, 5 Aug -- The final report on the past election of deputies shows that the PAN, Popular Socialist Party [PPS], and Workers Socialist Party [PST] won 5 percent of the votes.

The electoral college confirmed the victory of the PRI candidates by a relative majority.

The PAN will be represented in the State Congress by Pedro Euan Xool and by Santiago Rodriguez as his alternate.

The PST will be represented by Wilberto Nobelo Chi and by Celio Salazar as his alternate.

The PPS will be represented by Jacobo Castellanos Ruiz and by Jose Antonio Gonzalez Camacho as his alternate. [passage omitted]

PAN Disrupts Dailies

PA091623 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 2

[Excerpt] Durango, Durango, 5 August -- A group of approximately 60 PAN members prevented the circulation of the morning newspaper EL SOL DE DURANGO.

This blockade is in addition to those carried out in the offices of the Finance and Public Credit Secretariat and the State Tax Revenue Office, as well as in the district offices of the Agriculture and water Resources Secretariat in Santiago Papasquiaro, Durango.

The PAN members prevented the publication of today's issue and prevented the workers from leaving the EL SOL DE DURANGO offices.

It was not until noon that the employees were released after publisher Antonio Diaz Pina held talks with PAN leaders. It must also be mentioned that this action prevented the circulation of NORTE, another newspaper printed there. PAN members, urged by their leaders, decided to halt the circulation of the daily because it was going to report the gubernatorial victory of PRI candidate Jose Ramirez Gamero.

The PAN denied all this information to EL NACIONAL, and every reporter who tried to approach a party representative was subjected to a long interrogation.

The PRI state leaders vigorously condemned this vandalism.

Augustin Ruiz Soto, president of the party's CFE [not further identified], deplored the fact that a small group could disrupt the social order and peace for which Durango is known. [passage omitted]

Sinaloa Governor on Elections

FL112254 Mexico City NOTIMEX in Spanish 2213 GMT 11 Aug 86

[Excerpt] Chihuahua, Mexico, 11 Aug (NOTIMEX) -- Transparent ballot boxes will be used in the northwestern Mexican state of Sinaloa in the next elections to guarantee democracy and put an end to arguments used by the oppositions, noted Sinaloa Governor Antonio Toledo Corro in a press conference granted in Chihuahua.

He said that the 6 October elections will be honest and the results honored. Democracy exists and it will be put into practice in Sinaloa, Toledo Corro said. After saying that the opposition is not well organized in his state, he indicated the majority of the citizens are faithful to the PRI. [passage omitted]

BRIEFS

HONDURAN AMBASSADOR ARRIVES -- New Honduran ambassador to Mexico Ayax Zunia has said Honduras does not wish to create warlike conflicts with any of its neighbors and always promotes peace in Central America. Upon arriving in Mexico to present his credentials to President de la Madrid, he said relations between Honduras and Nicaragua are good because the democratic government of Honduras follows a policy of brotherhood with all the countries of the region. [Excerpt] [Mexico City NOTIMEX in Spanish 0014 GMT 9 Aug 86 FL]

CHIHUAHUA GOVERNOR -- The Chihuahua Electoral College has officially declared PRI candidate Fernando Baeza Melendez the constitutional governor of Chihuahua State. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 9 Aug 86 PA]

COCAINE CONFISCATION -- Federal antinarcotics agents have confiscated 178.9 kg of pure cocaine in Gueretaro. Two individuals were arrested. In the first 7 months of this year, 3 and 1/2 tons of pure cocaine were confiscated. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Jul 86 PA]

RECORD AMOUNT OF MARIJUANA SEIZED -- Navy officials Tuesday seized a record 66 tons of marijuana at different locations in the Gulf of Mexico, Navy officials said. They said the Navy has confiscated 33 tons of marijuana and arrested 16 drug dealers in the southeastern state of Yucatan. They said that in neighboring Guintana Roo State, Navy officials stopped three station wagons found to be carrying another 12 tons of marijuana. A fishing vessel detained by a Navy patrol 40 miles east of Guintana Roo was carrying 21 tons of the drug, officials added. Alberto and Ramiro Flores, Gilberto Ventura, Manuel Navarro and Antonio Viviano, apparently Colombian nationals were arrested. [Text] [Mexico City THE NEWS in English 6 Aug 86 p 6 PA]

DELVALLE REAFFIRMS FRIENDSHIP WITH TAIWAN

PA120003 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Aug 86 p 1-A

[Note from President Eric Arturo Delvalle to President of Taiwan Chiang Ching-kuo, issued in Panama City: date not given]

[Text] Your Excellency Chiang Ching-kuo

President of the Republic of China

Taipei, Taiwan

Mr President:

I hereby wish to express my most heartfelt greetings and wish to reiterate that the excellent relations of friendship and cooperation existing between the Republic of Panama and the Republic of China remain unalterable and continue to be strengthened even more with the sincere efforts of our two brother peoples.

I take this opportunity to assure you that any other expression or statement contrary to the aforementioned here represents the personal opinion of those who have issued it; they do not represent the opinion of the government I am proud to lead.

I am pleased to renew my best wishes for our friendship and for the happiness and prosperity of the great Chinese people and the success of your government.

Eric Arturo Delvalle

President of the Republic of Panama

GOVERNMENT TO SELL NONPROFITABLE BUSINESSES

PA092146 Panama City LA REPUBLICA in Spanish 8 Aug 86 p 4

[Editorial: "The Sale of State Properties"]

[Text] The commitments that the government made to the international banks in the refinancing of the debt included the sale of state enterprises that were causing great losses to the treasury because they were not self-financing and thus, were a burden on the national budget because the state had to subsidize them.

At a cabinet session held on Thursday, the executive branch decided to get rid of some of them so that the state would stop losing the millions it has been losing every year.

The sales approved so far are the following: the Las Cabras Sugar Mill for $3.1 million, the Contadora Island Hotel and its facilities for $6.5 million, Aeroperlas, incorporated for $1.6 million, and the extra tanks [tanques] of La Victoria Sugar Mill that were to be used by Las Cabras Sugar Mill for $120,000.

It was reported that the sale of Aeroperlas also included the building, the ramp, and the parking lot for $400,000, and farm machinery of Endema [National Farm Machinery Enterprise] for $1.3 million to Efvemaq, Incorporated. [sentence as published]

The sale of these enterprises will result in savings for the treasury because, in addition to receiving the proceeds from their sale, the large losses they incurred will be eliminated.

It is also estimated that these operations will serve to meet the government's bank obligations.

In addition, the National Bank will sell the Panama Hotel through a public auction.

These are the first sales of enterprises ordered by President Delvalle after a detailed study on their liquidity, the losses incurred so far, and the possibility for an economic recovery.

PDC LEADER CRITICIZES GOVERNMENT-SPONSORED RALLY

PA120309 Panama City ACAN in Spanish 2249 GMT 11 Aug 86

[Excerpts] Panama City, 11 Aug (ACAN-EFE) -- The opposition Christian Democratic Party [PDC] today criticized the march to be held by government sectors tomorrow because, "using an alleged Nationalist reassertion as a pretext," public employees will be forced to rally "under threat of dismissal."

PDC President Ricardo Arias Calderon said that the ruling coalition National Democratic Union will participate because "it is subordinated to the interests of the military high command, which ordered the event to be held." [passage omitted]

In a ccmmunique released today, the PDC added that "the intention is to celebrate the third anniversary of General Noriega's inauguration as commander in chief [of Panama's Defense Forces] using an alleged nationalist reassertion as a pretext." [passage omitted]

"The intention is to confuse the fate of our nation, its independence, sovereignty with the ambition for power of a single man," Arias Calderon added.

LIMA TV INTERVIEWS NORIEGA ON PIA VESTA CARGO

PY100204 Lima Latinoamericana Television in Spanish 0230 GMT 9 Aug 86

[From the "Frente a Frente" program presented by journalist Alfonso Baella Tuesta with quotes from an interview with Gen Manuel Antonio Noriega, Panamanian Defense Forces commander; date and place not given -- recorded]

[Excerpts] [Baella Tuesta] "Frente a Frente" went to Panama to look for the Pia Vesta. No one knew or wanted to tell us where this ghost ship was. "We flew over Panama in a helicopter looking for our objective. [passage omitted] Suddenly our pilot pointed, the Pia Vesta was there. It was being watched by a Panamanian ship and hidden from the public, silent and without any movement.

We found the Pia Vesta and then looked for General Noriega, commander of the Panamanian Defense Forces, who captured the Pia Vesta and ordered the confiscation of the weapons and vehicles it was transporting. What can he tell us about this case?

[Noriega] Right. The Pia Vesta passed, what we call in transit through the Panama Canal. This means a ship does not stop over. It goes through fast, without on-loading or off-loading any cargo here. Then it traveled toward Peru.

Once near the Peruvian coast, government intelligence or communications services reported to us of the presence of a ship which had remained for many hours without coming alongside and which was turning around and returning, presumably to Panama, which was its transit route.

We proceeded to board it on the high seas, and at that time found the large Soviet-made weapons cargo it was transporting. There were rocket launchers, assault rifles and troop transport trucks.

The bill of ladings...[rephrases] they had a different sort of bills of lading which meant that we were dealing with a weapons smuggling case. We reported our findings to various Peruvian military organizations and to the Peruvian Investigative Police [PIP]. We have also given a report and detailed identification of the weapons to other countries to try to find out together the real destination of these weapons and to identify the purchasers. [end recording] [passage omitted]

[Baella Tuesta] This is the Pia Vesta, a small but fast ship. As can be seen, it is very well maintained. Its powerful motors can almost make the ship fly, and when the ship wants to, it can be as silent as a ghost. It remains docked here, watched day and night to prevent any attack. The crew remains, detained on board.

This ship is equipped with a sophisticated communications system, able at any moment to contact the most distant points on earth or any airplane or submarine. This ship is not armed with cannons. It is being held incommunicado. The Panamanian military authorities have isolated it.

The vehicles were sent to a fort 3 hours from here, and the weapons were sent somewhere else, somewhere not accessible to anyone.

With Gen Noriega's generous permission, "Frente a Frente" is able to film for the first time these views for Peruvian television of the arsenal transported on board this suspicious ship with an unclear mission in our seas.

Here are the 32 trucks it brought. They are made in the GDR. They can transport 32 seated persons. Their motors do not need water. In addition to all the usual spare parts and implements of any military vehicle, these trucks have sophisticated communication system. They are also equipped with ramps to land troops and equipment on shallow beaches, as well as high speed tires and equipment for deserts.

There are several spare motors. Six of the vehicles are for medical use and are well-equipped for emergency surgery. These trucks are ready to move. They have always been ready, as if they were going into action soon.

With false documents, the Pia Vesta transported 1,440 RPG-18 rocket launchers and 1,500 automatic rifles.

The rocket launchers are loaded with their destructive charge and ready to be fired at any moment by just pressing a button. They are disposable rocket launchers. That is, they can be used and the tube can be thrown away. They do not require any additional equipment. Each rocket launcher weighs 3 kg. It can break through a 30-cm armored plate from a distance of 300 meters. They can be shot land to land or land to air by a single man. The date of each rocket launcher shows that they were manufactured a few months ago, and although they have a Soviet patent, they were manufactured in GDR. According to the Panamanians they are the most modern rocket launchers in the world.

The AKS-74 automatic rifles are the most modern rifles the Soviet Army has. They are very light, easy to handle, and very durable. With a fixed bayonet they can be used for hand-to-hand combat. The bayonet turns into powerful pliers capable of cutting through steel mesh.

The equipment and vehicles transported on the Pia Vesta could easily arm 1,500 men, giving them a devastating offensive capability. [passage omitted]

The Foreign Ministry sent the Congressional Permament Committee a detailed report with the government's points of view. According to this version, the Pia Vesta has loaded in the port of Rostock in the GDR, 204,300 kg of cargo. Only trucks and spare parts are mentioned. One of the bills of lading mentions as a recipient the Salvadoran Armed Forces, and as a shipping agent in Panama the (Terminal de Chiriqui) company which belongs to Emilio Ortiz de Zeballos, a Peruvian. However, another bill of lading is also mentioned. According to this document the recipient was (SINATO) port of disembarkation El Callao, with Pasalagua of Peru as the customs agent.

On 10 June, Emilio Ortiz de Zeballos was contracted by an American named David Duncan to ship the Pia Vesta cargo. [passage omitted]

On 12 June the Peruvian Navy authorities started looking for the Pia Vesta, and the mysterious ship could no longer be found. The Peruvian Government had already warned the Panamanian authorities about the ship's cargo. On 14 June the ship arrived in Balboa where it was captured by Panamanian forces. [passage omitted]

BRIEFS

DRUG TRAFFICKERS ARRESTED -- Panamanians Gilberto Antonio Fernandez and Alfonso Manuel Moreno and Colombians Jose Nilson Fierro, Jaime Valderrama, Cripiano Palacios, Dionisio Cordova, Daniel Manrique, and Leto Sanchez were arrested by drug agents on Tuesday when they were trying to sell 2 kg of cocaine worth $200,000 on the black market. [Summary] [Panama City EXTRA in Spanish 8 Aug 86 p 13 PA]

COSTA RICA

FOREIGN MINISTER PROPOSES MULTINATIONAL ARMY

FL111553 Mexico City NOTIMEX in Spanish 2309 GMT 9 Aug 86

[Text] Bogota, 9 Aug (NOTIMEX) -- Foreign Minister Rodrigo Madrigal Nieto today proposed here the creation of a multinational army to defend and safeguard his country's neutrality from Nicaragua's territorial and verbal aggressions. Rodrigo Madrigal, who accompanied President Oscar Arias to the inauguration of Colombian President Virgilio Barco Vargas, accused Managua's government of provoking a military escalation in the region, and taking advantage of its immense military superiority to conduct raids in Costa Rican territory.

The minister said the creation of an international force stationed in his country was proposed in discussions recently held by the Contadora Group, however the proposal was rejected because of its high operational cost. Foreign Minister Madrigal termed false the announcement by Nicaragua's Vice President Sergio Ramirez Macado that Nicaragua is ready to sign the Contadora Document, inasmuch as there can be no peace talks while the arms race continues in the region.

EL SALVADOR

NOTIMEX INTERVIEWS ZAMORA ON GOVERNMENT TALKS

FL120132 Mexico City NOTIMEX in Spanish 2312 GMT 11 Aug 86

[By Epigmenio Ibarra]

[Excerpts] Managua, 11 Aug (NOTIMEX) -- A third round of talks between the Salvadoran Government and insurgents will depend on the results of the preparatory meetings that the conflicting parties will hold in Mexico City on 20 August. This was stated in an exclusive NOTIMEX interview with Ruben Zamora, vice president of the FDR.

Zamora was optimistic about the real possibility of holding soon in El Salvador a high-level meeting between government and insurgent alliance. We are close to a third round of talks, Zamora asserted and noted that after 2 years of interrupted communication, obviously we really need to prepare for it and reach agreements regarding key procedural and security aspects.

This is what the meeting in Mexico will have to achieve. We have accepted the government's proposal to go to Mexico with a preparatory commission, he said, but added that they have rejected the idea of holding such meetings at the Salvadoran Embassy in Mexico City.

According to the rebel leader, the official proposals as well as those of the insurgency need to be considered for discussion. We have proposed El Salvador as the place for the third meeting, and we have other reasons to refuse to meet where the government of Napoleon Duarte has suggested -- in an eastern city of El Salvador.

The insurgents claim that the main problem is that in the eastern part of the country, specifically in the city of San Miguel, there are no safety conditions that can guarantee holding the meeting without incidents that will endanger the lives of the FDR-FMLN delegates.

For example, Zamora indicated that the government assumed responsibility for the Christmas and New Year's truce, and eastern military commanders disregarded the government's orders and violated it. When Arturo Rivera y Damas spoke with the FMLN command, he assured that the Army would not be mobilized, however an entire battalion was sent.

Those things need to be taken into consideration, said Zamora after noting that they are willing to comply with an agreement reached by the joint commission regarding the place where the meeting will be held. He added that it is of great significance. [passage omitted]

Zamora said that all the sectors that have expressed an interest in participating in the peace process can and should take part in the search for political solutions. [passage omitted]

It is important for the insurgency not to be fooled regarding the purposes of the regime for calling a third round of talks, Zamora said, because within the framework of the U.S. counterinsurgency strategy, dialogue is a tactical instrument to show the Reagan administration that it is not alone in its war and to obtain military aid. Domestically, the call for talks is also a way to keep the government afloat. Regarding this, Zamora added that because of the economic crisis it is facing, the Duarte government is trying to figure out what it can do in the next 3 years of power.

Referring to the comments that the aim of the talks is to make the insurgents abandon their arms, Zamora said this was absurd and unacceptable, because this would be the same as our asking the government Army to surrender its arms. El Salvador is at war, and the talks or negotiations are precisely an instrument to figure out how we are going to overcome that state of war. It would also be absurd to request that, without an agreement, military activities be suspended or limited. That would be to cross the bridge before getting to it.

Zamora said: I would like to state clearly that if we consider the FMLN-FDR and the government as the only factors in finding a negotiated political solution to the conflict it will not happen, because the United States is very much against it. But if all of Salvadoran society's sectors unite in finding a negotiated solution, we can achieve it despite the Americans. It is very hard, but we Salvadorans who want peace have no choice, the commander concluded.

NICARAGUA

GDR DELEGATION ARRIVES IN MANAGUA 10 AUGUST

LD110855 East Berlin ADN International Service in German 0219 GMT 11 Aug 86

[Text] Managua, 11 Aug (ADN) -- A GDR delegation headed by Professor Dr Manfred Gerlach, deputy chairman of the Council of State, arrived in Nicaragua on Sunday. The guests were cordially welcomed at Managua airport by Dr Sergio Ramirez, vice president of the Republic of Nicaragua. As part of a visit to several Latin American countries, the GDR deputation earlier visited Panama. Dr Gerlach and Dr Roderic Esquivel, vice president of the Republic of Panama, discussed the preservation of peace, especially in Central America. The two statesmen emphasized the significance of the Contadora Group's efforts for a peaceful solution to the conflicts in this region. The talk was also attended by Dr Jorge Abadias Arias, the Panamanian foreign minister.

U.S. ARMY OFFICER REQUESTS POLITICAL ASYLUM

FL111159 Havana Radio Progreso Network in Spanish 1100 GMT 11 Aug 86

[Text] Hugo Romeu Almeida, a U.S. Army officer with the rank of captain, has asked the Cuban Government to grant him political asylum. Officer Romeu Almeida was stationed at the U.S. army base in Stuttgart. Romeu Almeida is of Cuban origin.

He expressed his desire to abandon the U.S. Army because of his disagreement with its policy toward Central America, an area to which he was going to be assigned due to his Latin origin. He said his decision was also influenced by the Vietnam war and the poverty he had observed in the Dominican Republic during a 2-year stay there. Hugo Romeu Almeida is now in Cuban territory, where he arrived a few hours ago.

TOURISM TO BECOME NATION'S SECOND INDUSTRY

FL111218 Bridgetown CANA in English 1712 GMT 10 Aug 86

[Excerpts] Havana, Aug 10, CANA -- Cuba has announced a 500 million dollar (U.S.) plan to re-develop its once thriving tourist industry, with the eventual aim of making it the island's second most important source of hard currency after sugar.

Details of the plans were published in the semi-official magazine CUBA INTERNATIONAL, which carried news of the development programme in a recent edition.

The report said Cuba had launched a major drive to promote tourism, listed it as a priority aspect of the country's five-year development plan to 1990, and added that there were features of the programme that stretched to the year 2000.

...There are even hopes to make it the second most important source of hard currency in the country over the next few years, CUBA INTERNATIONAL reported.

The magazine report spoke of an ambitious investment programme worth more than 500 million dollars...during the next five years to develop tourism here.

Centrepiece of the development plan is the construction or expansion of hotels to double the number of beds available to tourists from the present 30,000.

Tourism authorities regard the present number as inadequate, CUBA INTERNATIONAL stated.

The magazine described the development aspects of the 1980s as a more mature case and announced that in the five-year period to 1990, eight new hotels will be built in the famed Varadero Beach area in collaboration with Argentina.

Other usually reliable industry sources also reported that the tourism development plans in Cuba include improvements and expansion of the airport at Varadero and construction of an airport at Santiago de Cuba in the south of the country. [passage omitted]

CUBA INTERNATIONAL reported that tourism here expanded 11 per cent in 1985, compared with 1984, whilehard currency income jumped 16 per cent in the period.

The magazine gave no specific figures for actual earnings, but said that visitor arrivals were up from 127,000 in 1981 to 206,000 in 1984, and reached 240,000 last year.

Planners expect that by the end of 1990 between 350,000 and 400,000 tourists should be visiting Cuba each year.

Visitor arrivals this year are expected to be above the 250,000 level, with the vast majority coming from Canada, Mexico, and Western Europe -- some 170,000. The remainder are expected from socialist countries, CUBA INTERNATIONAL stated. [passage omitted]

BRAVO RETURNS FROM INAUGURATION IN COLOMBIA

FL111251 Havana Radio Progreso Network in Spanish 1100 GMT 11 Aug 86

[Text] Flavio Bravo, president of the National Assembly of the People's Government, has returned home after attending the inauguration of Colombia's President Virgilio Barco Vargas.

Flavio Bravo told newsmen he had participated in the extraordinary meeting held by the Latin American Parliament in Colombia, in which matters concerning the institutionalization of that international body were discussed.

AGRICULTURE MINISTER MEETS WITH SOVIET OFFICIAL

FL112351 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Aug 86

[Text] Cuban Agriculture Minister Adolfo Diaz Suarez was received today by Vsevolod Murakhovskiy, president of the USSR State Committee of Agroindustry. In a meeting held in Moscow, the two leaders discussed matters regarding scientific and technical cooperation in the area of agriculture during the current 5-year period.

MINISTER MALMIERCA MEETS WITH INDIAN MINISTER

FL120044 Havana Television Service in Spanish 0000 GMT 12 Aug 86

[Text] Foreign Minister Isidoro Malmierca has received the Indian minister and special envoy for nonaligned countries affairs, (N Peyain). The two cordially discussed matters regarding the eighth nonaligned summit meeting.

The Indian minister toured the Isle of Youth, where he visited historic places and schools. (Peyain) will depart tomorrow for Nicaragua to continue his working program.

BARBADOS

KING IMPLIES DRUG TRAFFICKING BY BLP MINISTER

FL111051 Bridgetown CANA in English 2110 GMT 10 Aug 86

[Text] Bridgetown, Barbados, Aug 10, CANA -- Barbados new Attorney General Maurice King was today quoted by the SUNDAY SUN newspaper as saying packages containing marijuana were earmarked for the minister of health in January and July. But former Attorney General David Simmons asserted ex-Health Minister O'Brien Trotman was not involved in any illegal drugs business.

According to the paper, King told the annual general meeting of the Prison Officers Association on Friday: Before I became attorney general, I had been aware that illegal drugs were coming through the Grantley Adams International Airport addressed to some ministries and government departments by name. For instance, on January 4, seven packages came addressed to the minister of health. These packages came from various destinations in the Caribbean.

Commenting on the incident, Simmons said a customs officer reported the package originated in Barbados, was sent to St Vincent, and came back. He said Trotman knew nothing about the package, adding the former health minister informed Cabinet about the matter shortly afterwards. Simmons also recalled briefing head of the government's task force on drugs, Fitzgerald Parris, about the incident.

King, whose Democratic Labour Party (DLP), won general elections May 28, said: On July 14, 1986, a package arrived by air at the Grantley Adams International Airport. It was a card box containing four packages of vegetable matter -- it was marijuana addressed to the minister of health. The present minister of health knew absolutely nothing about it, and it was eventually destroyed by customs.

Simmons said: the opposition deprecates the statement by Attorney General Mr King in so far as it seeks to refer to former Minister of Health Mr Trotman without giving all the facts concerning the incident of January 4. Simmons added: It can only contribute to slur and reckless rumour that started prior to the general elections and that pervaded the general elections campaign -- rumours that suggested that members of the former government were involved in drug trafficking. Simmons suggested that the attorney general either call an enquiry or prosecute the alleged offenders if he had information suggesting that former government members were involved in hard drugs. If he had no information, said Simmons, then he should not seek to slur the names of former minister in the BLP (Barbados Labour Party) government. Because the crucial thing in all of this is the element of knowledge.

GRENADA

COMMUNICATIONS AGREEMENT SIGNED WITH CANADA

FL111449 Bridgetown CANA in English 1612 GMT 10 Aug 86

[Excerpts] St Georges, Grenada, Aug 10, CANA -- Grenada and Canada have signed a 7.5 million Canadian dollar agreement to help improve the services offered by the state-owned telephone company here. The agreement was signed last week by top officials of the two governments.

Grenada's Communications Minister Dr Keith Mitchell told CANA that the grant funds would be used to install a digital system at the telephone company by the end of 1988. He said the bulk of the money would be used to purchase equipment from Northern Telecom while one million dollars would go towards employing local labour in order to help ease the unemployment situation on the island. The grant would be supplemented by a 7.5 million dollar loan which the island is expected to get shortly from the Canadian export development corporation, he added. [passage omitted due to garbling]

Grenada and Canada signed agreements covering one million dollars in technical support and equipment for the central garage, and 1.5 million dollars for a water sewerage project. Canada has provided financial assistance to Grenada in recent years to construct the Point Saline International Airport, and rehabilitate the vital cocoa industry.

HAITI

NAMPHY MEETS WITH OAS SECRETARY GENERAL

FL051347 Bonaire Trans World Radio in English 1100 GMT 5 Aug 86

[Text] Haitian president Henri Namphy and other senior officials in Haiti's interim government held private talks yesterday with the head of the Organization of American States. OAS Secretary General Joao Clemente Baena Soares was scheduled to meet with Mr Namphy and several other ministers and members of the National Council of Government that replaced ousted president Jean-Claude Duvalier. The visiting official intends to hold a news conference before leaving the country today to give details of his talks.

DOMINICAN REPUBLIC

PRD WILL NOT PARTICIPATE IN GOVERNMENT

PA111934 Madrid EFE in Spanish 1426 GMT 11 Aug 86

[Text] Santo Domingo, 11 Aug (EFE) -- Jose Francisco Pena Gomez, vice president of the Socialist International, announced today that the Dominican Revolutionary Party (PRD) will not participate in the government of President-elect Joaquin Balaguer, of the Social Christian Party. Pena Gomez, who is also PRD president, noted, however, that the opposition will cooperate with the "national unity" government that Balaguer is proposing. Balaguer will be sworn-in 16 August.

Pena Gomez did not say whether or not any PRD member who accepted a post from Balaguer would be penalized. In announcing that the PRD would help Balaguer with suggestions and positive measures, Pena Gomez explained that the country could not stand a strict PRD opposition to the Balaguer government.

SURINAME

1986 BUDGET SLASHED BY NATIONAL ASSEMBLY

FL112138 Paramaribo International Service in English 1730 GMT 11 Aug 86

[Text] Last Friday, the National Assembly gave the Government of Suriname further instructions to cut the 1986 budget by at least 65 million guilders. The National Assembly said that 300 million guilders, which were needed to balance the budget, must be slashed without affecting the poor, prices, and availability of primary goods and national production. It also called on the government to draw up a plan of action as soon as possible. During the meeting, the 31 members of the assembly unanimously decided that the ministries should produce monthly reports and, at the same time, echoed a call for the government to encourage national production through incentives. The members also called on the government to take the necessary measures to put the brakes on the exportation of foreign exchange from the country, which is being deposited by Suriname in foreign banks.

Central Bank To Supervise

FL112143 Paramaribo International Service in English 1730 GMT 11 Aug 86

[Text] On Friday last, the National Assembly passed a resolution which called for all financial institutions to be put under the supervision of the Central Bank. Those institutions -- which from now on will be supervised by the Central Bank -- are among others, insurance companies, mortgage banks, and pension funds.